

**PNG's national oil and gas company (Kumul Petroleum) and Mayur Resources sign MOU for gas supply for new Lime and Cement industry at Caution Bay, Port Moresby**

**HIGHLIGHTS:**

- **MOU signed between Mayur and Kumul Petroleum for the sourcing and supply of gas**
- **PNG LNG plant is located at Caution Bay, adjacent to Mayur's Port Moresby limestone project**
- **Access to gas will unlock downstream vertical integration opportunity for Mayur's lime and cement business and other industrial development in the Caution Bay precinct**

**Mayur Resources Ltd (ASX:MRL)** has signed a Memorandum of Understanding (MOU) with Kumul Petroleum regarding the sourcing and supply of gas for MRL's proposed vertically integrated lime and cement business at Caution Bay located 25km north of Port Moresby and adjacent to the PNG LNG Plant.

The purpose of this MOU is to provide MRL with a pathway to access domestic gas on commercial terms to enable the strategic development of its limestone resources and the associated downstream vertical integration opportunities, i.e. quick lime and cement industry, that will provide benefits to all stakeholders including jobs and improved standards of living.

**MRL Managing Director Mr Mulder** said "This MOU is a significant value adding milestone and reinforces Mayur's commitment to vertical integration, and diversity of PNG's in-country mineral resources. This MOU will pave the way as the catalyst (hand-in-hand with the PNG Government) for MRL and PNG to develop its own industries rather than importing products. This approach will displace lime and cement imports and sets up a new diversified PNG export industry in lime and cement products. This initiative also keeps foreign currency in PNG, supports local PNG industry (rather than international producers) as well as contributing material 'value add' to the economy that also has the potential for many thousands of jobs".

**MD of Kumul Petroleum Mr Wapu Sonk** said "We see this as a very significant step in diversifying the use of gas in PNG with the application of gas in lime, cement production, urea and other petrochemical industry developments in the country. Kumul Petroleum, as PNG's National Oil Company, has the full mandate in the upstream, mid-stream and downstream oil and gas business in PNG. Kumul Petroleum is looking forward to working with Mayur in achieving downstream utilisation of gas in PNG. Kumul Petroleum has recently announced a joint venture with Oil Search in the development of a 60 Mega Watt power plant utilising PNG's in country gas energy resources. This 'milestone MOU signing' with Mayur, is a further add on benefit of utilising PNG's gas in country, enabling the progression of the *industrialisation agenda for nation building*, set by the PNG Government".

MRL also today (10 January 2018) announced a significant maiden JORC Resource for its Port Moresby Limestone project. This announcement should be read in conjunction with this significant milestone.



Mayur Managing Director (Paul Mulder) and MD of Kumul Petroleum (Wapu Sonk) signing the MOU in Port Moresby

---

**About Kumul Petroleum** (source - <http://kumulpetroleum.com>)

Kumul Petroleum Holdings Limited (KPHL) is Papua New Guinea's national oil and gas company (NOC). The NOC was created by an Act of Parliament through the Kumul Petroleum Holdings Limited Authorization Act 2015 which replaced National Petroleum Company PNG (NPCP) Holdings Limited.

Through Kumul Petroleum Authorization Act 2015, KPHL is mandated to protect and maximize the value of the Country's petroleum assets such that it can contribute to the maximum wealth for its ultimate shareholders; the 7 million plus people of Papua New Guinea.

Since its inception in 2009 as NPCP Holdings, the NOC was operating as a commercial entity with its core commercial interest being its participation in the PNG LNG Project.

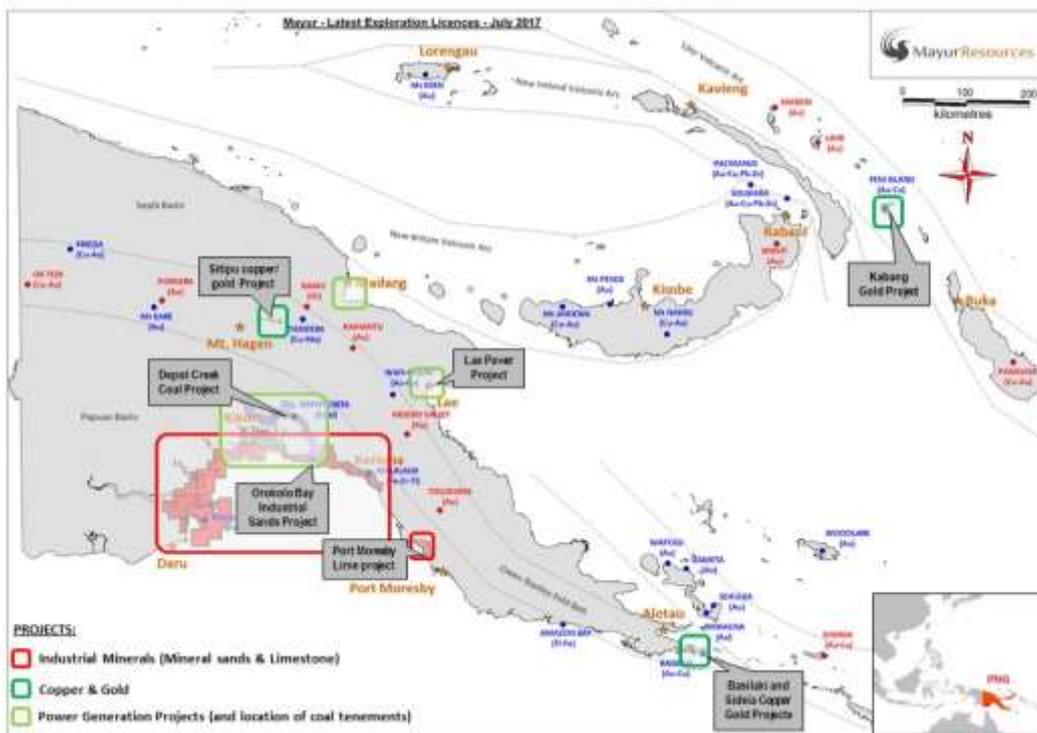
KPHL has great potential to grow as a National Oil and Gas Company (NOC) because PNG has high oil and gas resources and largely because KPHL is the legislated State nominee and can always exercise its option for a 20.5% stake in every project.

Consistent with its vision, KPHL will continue to create value and opportunity for PNG and its people by becoming a major national oil and gas corporation.

This means "creating wealth and opportunities for Papua New Guinea now and into the future".

## About Mayur Resources

Mayur has been operating since 2011 with the purpose of acquiring, exploring and developing mineral and energy development opportunities in Papua New Guinea and neighbouring countries.



Over the last 5 years Mayur has established an impressive portfolio of projects that includes:

- (a) **Industrial Minerals.** (construction sands, magnetite sands, heavy mineral sands and limestone) The Company is focusing its efforts on developing the Orokolo Bay Industrial Sands Project along the southern coast of PNG. Following the delineation of a JORC Resource, a Pre-Feasibility Study was completed based on a low-cost mining operation using a combination of excavators and simple gravity and magnetic mineral processing. The PFS also identified the opportunity to establish a multi-product mine that could produce fine grain construction sands, titanomagnetite (iron ore), industrial magnetite and a zircon-rich Valuable Heavy Mineral Concentrate by-product. The Company has secured a permit to export up to 200,000 tonnes of material that may enable the company to begin bulk sample shipments for customer testing by December 2018. The other key project in this portfolio is the Port Moresby Limestone Project which seeks to develop a multi-product lime based business for both domestic and export markets.
- (b) **Copper and Gold.** The Company holds the Feni Island Project in New Ireland Province, as well as the prospective Basilaki/ Sideia project in Milne Bay Province and the Sitipu project located in the Eastern Highlands region of the prolific Owen Stanley Fold Belt. The company is undertaking or planning exploration activities at each of the projects.
- (c) **Coal and Power.** The Company has delineated PNG's first JORC coal Resource at Depot Creek in the Gulf Province and has been developing a vertically integrated domestic power project at PNG's second largest city of Lae. A definitive feasibility study has been completed for a project that utilizes domestic coal from Depot Creek together with other renewable fuel sources to power a 52.5MW (net) power facility at Lae (with future scalability to 200MW). The Company has, via PNG Ports, secured an Environmental Approval from the Conservation and Environmental Protection Authority in PNG, to construct the power facility and on the request of PNG Power, the state-owned power entity, has submitted a detailed Power Purchase Agreement (PPA).

### Enquiries

Jonathan Rees - General Manager  
[info@mayurresources.com](mailto:info@mayurresources.com)  
 +61 7 3157 4400